NCA
VOC FOR OP/FN
BACKGROUNDER NO. 5-5632 MARCH 21, 1978
BUI TUAN

THAI RICE PROSPECTS

ANNCR:

THAILAND -- SOUTHEAST ASIA'S LARGEST RICE EXPORTER -- EXPECTS A SIGNIFICANT DROP IN DOMESTIC RICE PRODUCTION THIS YEAR WITH A RESULTANT DECREASE IN THAI RICE EXPORTS. VOA'S BUI TUAN HAS DETAILS IN THIS BACKGROUND REPORT.

VOICE:

THAILAND, LAST YEAR, PRODUCED A BUMPER RICE CROP WHICH EXCEEDED FIFTEEN MILLION TONS. ABOUT TWENTY PERCENT OF THE 1977 HARVEST WAS EXPORTED, PRINCIPALLY TO NEIGHBORING COUNTRIES IN SOUTHEAST ASIA.

BUT, ACCORDING TO OFFICIAL THAI SOURCES, THE SITUATION IS LESS PROMISING THIS YEAR. A SERIOUS DROUGHT WHICH HIT THE COUNTRY'S SIXTEEN NORTHEASTERN PROVINCES IS EXPECTED TO SIGNIFICANTLY REDUCE THIS YEAR'S HARVEST. IT'S ESTIMATED THAT THAI FARMERS THIS YEAR WILL PRODUCE NO MORE THAN THIRTEEN AND ONE HALF MILLION TONS OF RICE. THAT'S A DROP OF ABOUT ONE AND ONE HALF MILLION TONS FROM THE 1977 HARVEST. AT THE SAME TIME, THE THAI MINISTRY OF COMMERCE PREDICTS THAT ONLY ABOUT ONE POINT TWO MILLION TONS OF RICE WILL BE AVAILABLE FOR EXPORT.

HARDEST HIT BY THE DROP IN THAILAND'S RICE EXPORTS WILL BE INDONESIA, MALAYSIA, AND SINGAPORE -- THREE TRADITIONAL MARKETS FOR THAI RICE. THE THREE COUNTRIES HAVE ALREADY PLACED HEAVY ORDERS FOR THAI RICE THIS YEAR.

BANGKOK'S MINISTER OF AGRICULTURE, PRIDI KANNASUT, SAYS INDONESIA HAS INDICATED THAT IT WILL NEED TO IMPORT FIVE HUNDRED THOUSAND TONS OF RICE THIS YEAR. BUT, THAILAND, HE SAYS, WILL

BE ABLE TO PROVIDE ONLY ONE HUNDRED THOUSAND TONS. THIS IS A SIGNIFICANT DROP FROM LAST YEAR, WHEN THAILAND PROVIDED MORE THAN ONE-THIRD OF INDONESIA'S FOREIGN GRAIN REQUIREMENTS.

MALAYSIA HAS ORDERED TWO HUNDRED THOUSAND TONS OF THAI RICE FOR DELIVERY THIS YEAR. HOWEVER, MR. PRIDI SAYS THAILAND WILL PROBABLY BE ABLE TO SUPPLY ONLY ONE HALF THAT AMOUNT. MEANWHILE, SINGAPORE IS WAITING FOR A DECISION FROM BANGKOK ON HOW MUCH THAI RICE IT CAN EXPECT.

IT'S QUITE POSSIBLE THAT PAKISTAN WILL BE ABLE TO ALLEVIATE WHAT PROMISES TO BE AN EXTREMELY TIGHT SITUATION ON SOUTHEAST ASIAN RICE MARKETS LATER THIS YEAR. BARRING BAD WEATHER, THAT COUNTRY IS EXPECTED TO HAVE A SURPLUS OF ABOUT ONE MILLION TONS OF RICE FOR EXPORT. IN ADDITON, THE UNITED STATES -- THE WORLD'S LARGEST RICE EXPORTER -- HAS RESERVES WHICH COULD BE USED TO MAKE UP FOR A DROP IN THAILAND'S RICE EXPORTS.

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